Insurance and Real Estate Committee

JOINT FAVORABLE REPORT

Bill No.: HB-5205
Title: AN ACT CONCERNING THE CONNECTICUT LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION.
Vote Date: 3/15/2018
Vote Action: Joint Favorable Substitute
PH Date: 2/27/2018

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SPONSORS OF BILL:
Insurance and Real Estate Committee

REASONS FOR BILL:
This bill will update CT law to align it with the National Association of Insurance Commissioner Life and Health Insurance Guaranty Association Model and make other changes to the CT Life and Health Insurance Guaranty Association Act.

Substitute Language

LCO # 2326

The language redresses the Insurance department’s oversight and ensure that the relevant statutes, when read in their entirety, conform to the NAIC model act.

RESPONSE FROM ADMINISTRATION/AGENCY:

State of Connecticut Insurance Department feels this legislation will improve the CT Life and Health Insurance Guaranty Association safety net for consumers. This bill makes three significant changes:
Expands GA membership to include health care centers
The assessment base for future LTC insolvencies is expanded to include life insurers and HMOs in addition to health insurers
Future assessments for LTC policies issued by an insolvent member insurer will be split evenly between the life and health industries,
The Department asks that one minor change to be made to the bill. In line 38, the brackets surrounding “the” and the proposed new words “any other” should be deleted.

**NATURE AND SOURCES OF SUPPORT:**

*Connecticut Association of Health Plans* feel this bill is designed and intended to ensure that consumers can purchase insurance products safe in the knowledge that their coverage will be protected if there is a future insolvency.

*Insurance Association of Connecticut* testimony stated that this bill will help ensure that Connecticut’s life and health insurance guaranty association, which was created to protect consumers and act as a safety net, remains stable, fair and sustainable.

**NATURE AND SOURCES OF OPPOSITION:**

None Expressed

Reported by: Diane Kubeck               Date: March 26, 2018